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FM USMISSION GENEVA
TO RUEHC/SECSTATE WASHDC 3499
INFO RUEHXX/IO COLLECTIVE
BT
UNCLAS GENEVA 01607

E.O. 12356: N/A
TAGS: AORC, ABUD
SUBJECT: KASSEBAUM AMENDMENT

1. SUMMARY: FOLLOWING IS A REPORT OF A CONVERSATION AMONG SENATOR MOYNIHAN; FRANZ VON MUTIUS, TREASURER AND FINANCIAL COMPTROLLER OF THE ILO; AND MISSION OFFICER RICHARDSON ABOUT THE KASSEBAUM AMENDMENT. END SUMMARY.

2. DURING HIS RECENT VISIT TO GENEVA, SENATOR MOYNIHAN MET WITH FRANZ VON MUTIUS, TREASURER AND FINANCIAL COMPTROLLER OF THE ILO AND MISSION OFFICER RICHARDSON TO DISCUSS THE KASSEBAUM AMENDMENT. SENATOR MOYNIHAN EXPRESSED CONCERN THAT THE LEGISLATION DOES NOT DIFFERENTIATE BETWEEN ORGANIZATIONS. FOR EXAMPLE THE INTERNATIONAL ATOMIC ENERGY AGENCY (IAEA) IS, IN HIS VIEW, ESSENTIAL TO THE FUTURE OF THE WORLD. A REDUCTION IN THE NUMBER OF INSPECTORS EMPLOYED BY THE IAEA COULD BE CATASTROPHIC TO THE FUTURE OF THE WORLD.

3. MOYNIHAN AND VON MUTIUS AGREED THAT THE KASSEBAUM AMENDMENT HAS TAKEN A DESIRABLE, FEASIBLE, LONG TERM OBJECTIVE AND MADE IT A TACTICAL PLOY. VON MUTIUS NOTED THAT THE RESULT IS CONFUSION AMONG UN AGENCIES AND OTHER NATIONS AS TO THE INTENT OF THE US. HE BELIEVES THAT BY SETTING AN UNREALISTIC TIME FRAME OF ONE CALENDAR YEAR TO REACH ITS OBJECTIVE, THE LEGISLATION IS BEING INTERPRETED BY MANY AS AN ATTEMPT BY THE US TO REDUCE ITS ROLE IN AND CONTRIBUTION TO THE UN AND ITS SPECIALIZED AGENCIES. MOYNIHAN SHARED THIS CONCERN AND QUESTIONED WHY THE US SHOULD ANNOUNCE TO THE WORLD THROUGH A SELF-INITIATED REDUCTION IN CONTRIBUTION THAT IT VIEWS ITSELF AS A LESS IMPORTANT NATION THAN THEY DO.

4. VON MUTIUS NOTED THAT STRICTLY INTERPRETED, THE KASSEBAUM AMENDMENT'S CALL FOR WEIGHTED VOTING WOULD REQUIRE CONSTITUTIONAL AMENDMENTS IN AFFECTED AGENCIES AND THE UN. RICHARDSON OBSERVED THAT EVEN IF ALL CONCERNED PARTIES WERE IN FULL AGREEMENT WITH THE OBJECTIVE OF WEIGHTED VOTING, WHICH THEY ARE NOT, THE PROCESS OF AMENDING CONSTITUTIONS WOULD REQUIRE YEARS.

5. VON MUTIUS SAID THAT BY CALLING FOR GREATER INFLUENCE IN BUDGETARY MATTERS FOR MAJOR CONTRIBUTORS,

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THE US SHOULD HAVE A GROUP OF NATURAL ALLIES FROM OECD COUNTRIES, NEWLY INDUSTRIALIZING COUNTRIES (NICS), AND THE EAST BLOCK. INSTEAD THESE COUNTRIES ARE OPPOSING KASSEBAUM BECAUSE THEY FEAR THE REDUCTION BY THE US IN ITS CONTRIBUTIONS. VON MUTIUS CONTINUED THAT ANY REDUCTION BY THE US IN ITS CONTRIBUTIONS WILL PUT PRESSURE ON THESE MEMBERS TO MAKE UP THE DIFFERENCE, PARTICULARLY IF THEY FEEL THE ORGANIZATION'S WORK IS OF VALUE, WHICH APPEARS TO BE THE CASE. YET, THESE COUNTRIES TOO FACE DOMESTIC FISCAL AND BUDGETARY PROBLEMS.

6. ALL PARTICIPANTS QUESTIONED WHETHER AMENDING CONSTITUTIONS TO INCREASE CONTROL OVER BUDGETS BY MAJOR CONTRIBUTORS WOULD BE SUCCESSFUL EVEN IN THE LONG RUN. VON MUTIUS SUGGESTED THAT A MORE FEASIBLE APPROACH WOULD BE TO AMEND THE STANDING ORDERS OR RULES OF PROCEDURES IN ORGANIZATIONS. FOR EXAMPLE, IN THE ILO, THE GOVERNING BODY CANNOT TAKE A DECISION WITH FINANCIAL IMPLICATIONS WHICH HAS NOT FIRST BEEN APPROVED BY THE PROGRAM, FINANCIAL AND ADMINISTRATIVE COMMITTEE (PFAC). MEMBERS OF THE PFAC REPRESENT SOME 76 PERCENT OF ILO CONTRIBUTIONS.

7. VON MUTIUS CONTINUED THAT REFINEMENT OF AGENCIES' RULES OF PROCEDURE COULD BE ACCOMPLISHED MUCH MORE SIMPLY THAN CHANGING CONSTITUTIONS. HE SUGGESTED THAT BY WORKING TOWARDS A LONG TERM SOLUTION OVER A REASONABLE PERIOD OF TIME, THE US COULD GARNER SUPPORT FROM ITS NATURAL ALLIES (IDENTIFIED ABOVE), INDEPENDENT MEMBER NATIONS, AND SECRETARIATS.

8. MOYNHAN OBSERVED THAT HE WAS ONE OF 11 SENATORS TO VOTE AGAINST THIS LEGISLATION. HE SAID HE HAD NOT SPOKEN AGAINST IT BECAUSE HE HAD NOT WANTED THE VOTE TO DISCREDIT HIS ARGUMENTS. HE WAS UNAWARE THAT THE PRESIDENT HAD INDICATED UPON SIGNING THE BILL THAT LEGISLATIVE RELIEF MAY BE NEEDED. HE CONCLUDED THAT HE WOULD BE TALKING WITH SENIOR ADMINISTRATION OFFICIALS ABOUT THE LEGISLATION IN THE NEXT WEEKS.
(DRAFTED: JRICARDSON:IRM) CARMEN

END OF MESSAGE

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